

Message Text

CONFIDENTIAL

PAGE 01 STATE 196976
ORIGIN PM-05

INFO OCT-01 AF-10 ISO-00 TRSE-00 SS-15 CIAE-00 INR-07
NSAE-00 AID-05 IGA-02 ACDA-07 PRS-01 SP-02 L-03
/058 R

DRAFTED BY PM/SAS:DHESTER:RG
APPROVED BY PM/SAS: MCELROY
AF/E:RCASTRODALE
DOD/DSAA:PSOMMER (SUB)
AF/I:LTC CARROLL (INFO)
TREASURY:CCROSSWHITE (INFO)
T:SLEDOGAR (INFO)
-----092108 190112Z /65

P R 182132Z AUG 77
FM SECSTATE WASHDC
TO AMEMBASSY NAIROBI PRIORITY
INFO SECDEF
CINCEUR
TREASURY

C O N F I D E N T I A L STATE 196976

E.O. 11652: GDS

TAGS: MASS, KE

SUBJECT: KENYA - FY 1977 FOREIGN MILITARY SALES LOAN
AGREEMENT

1. PRESIDENT HAS SIGNED DETERMINATION WAIVING CEILING
ON MILITARY AID TO AFRICAN COUNTRIES IN FY 1977. AUTHORI-
ZATION TO RELEASE \$15 MILLION IN FY 1977 FMS FINANCING
FOR KENYA HAS BEEN FORWARDED TO UNDER SECRETARY BENSON
FOR SIGNATURE. FINANCING WILL BE PROVIDED FOR PROGRESS
PAYMENTS TOWARD GOK PURCHASE OF F-5E/F AIRCRAFT.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 196976

2. PROCEDURES AND TERMS OF LOAN AGREEMENT. LOAN OF \$15
MILLION WILL BE REQUESTED FROM THE FEDERAL FINANCING BANK
(FFB) WITH PRINCIPAL TO BE REPAID IN SEVENTEEN APPROXI-
MATELY EQUAL SEMI-ANNUAL PAYMENTS COMMENCING TWO YEARS
AFTER SIGNATURE OF LOAN AGREEMENT. DISBURSEMENT PERIOD
WILL END TWENTY-FOUR MONTHS AFTER SIGNATURE OF LOAN
AGREEMENT. DEPARTMENT OF DEFENSE WILL GUARANTEE LOAN FOR

WHICH GOK WILL PAY GUARANTY FEE OF \$37,500 FROM ITS OWN RESOURCES. OTHER TERMS OF LOAN WILL BE DETERMINED BY FFB.

3. WE WILL INFORM YOU AND LOCAL KENYAN EMBASSY WHEN LOAN AGREEMENT IS READY FOR SIGNATURE IN WASHINGTON. AT THAT TIME GOK MUST PROVIDE FOLLOWING:

A. GUARANTY FEE OF \$37,500 IN FORM OF CHECK FOR THAT AMOUNT MADE PAYABLE TO "TREASURY OF THE UNITED STATES".

B. COPY OF AUTHORIZATION BY GOK TO ITS REPRESENTATIVE TO SIGN LOAN AGREEMENT. IN ADDITION, BEFORE FUNDS MAY BE DISBURSED, SIMILAR WRITTEN AUTHORIZATIONS ARE REQUIRED FOR PERSON(S) TO SIGN ON BEHALF OF KENYA (1) PROMISSORY NOTE AND (2) OTHER DOCUMENTS CONTEMPLATED BY LOAN AGREEMENT SUCH AS REQUESTS FOR ADVANCES OF FUNDS.

4. THESE AUTHORIZATIONS REPLACE PREVIOUS REQUIREMENT FOR LEGAL OPINION FROM FOREIGN GOVERNMENT RECEIVING FMS FINANCING. SPECIFIC AUTHORIZATIONS MAY BE PROVIDED IN SINGLE DOCUMENT OR IN SEPARATE DOCUMENTS. THEY MAY BE IN ANY WRITTEN FORM, INCLUDING CABLED INSTRUCTIONS TO GOK WASHINGTON EMBASSY, PROVIDING THEY ARE IN ENGLISH OR IN OFFICIAL ENGLISH TRANSLATION.
VANCE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY AIRCRAFT, MILITARY SALES, LOAN AGREEMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE196976
Document Source: CORE
Document Unique ID: 00
Drafter: DHESTER:RG
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770299-0318
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770847/aaaabnlc.tel
Line Count: 86
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d9f48a58-c288-dd11-92da-001cc4696bcc
Office: ORIGIN PM
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1557128
Secure: OPEN
Status: NATIVE
Subject: KENYA - FY 1977 FOREIGN MILITARY SALES LOAN AGREEMENT
TAGS: MASS, KE
To: NAIROBI
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/d9f48a58-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009